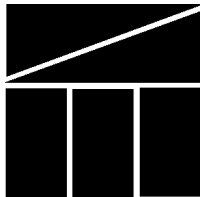




Instructions for Completing Capital Project Implementation Plans



**Department of Planning and Budget
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Instructions for Completing Capital Implementation Plans

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Overview

During its 2002 Session, the General Assembly enacted several pieces of legislation authorizing the issuance of debt for construction projects on college and university campuses, within the state parks system, and for a range of other state-owned cultural institutions and properties. This legislation also required that all state agencies and institutions responsible for these capital projects submit a “capital implementation plan” to the Governor and the chairmen of the Senate Finance and House Appropriations Committees by September 1, 2002. These instructions provide guidance for agencies and institutions to follow when completing those plans. The instructions apply to all Executive Department agencies responsible for the completion of bond projects authorized within Chapters 814, 887, 884, and 859.

Background

During its 2002 Session, the General Assembly enacted nine pieces of legislation affecting the Commonwealth’s capital outlay program. This legislation included:

- **Chapter 814**, which provided for the use of bonds to complete capital outlay projects delayed during the 2000-2002 biennium,
- **Chapters 887 and 855**, which authorized the issuance of bonds by the Virginia Public Building Authority (VPBA) and the Virginia College Building Authority (VCBA) for capital projects to be completed during the 2002-2004 biennium,
- **Chapters 884 and 854**, which authorized the issuance of general obligation bonds for the construction of certain parks and recreation projects,
- **Chapters 859 and 827**, which authorized the use of general obligation bonds for the construction of capital projects on Virginia’s college and university campuses, and
- **Chapters 888 and 839**, which established a formal six-year capital improvement planning process and “nonrecurring expenditure fund” and placed limitations on the total annual debt that could be issued to complete capital projects included in Chapters 887, 884, and 859.

Prioritizing Capital Projects

Various enactment clauses found in Chapters 887, 884, and 859 require that each agency or institution with a capital project listed in those acts provide the Governor and the chairmen of the Senate Finance and House Appropriation Committees with an implementation plan for the completion of its capital projects. This plan should include proposed construction schedules, detailed draw schedules, an

estimate of the additional operating costs or savings that will result from the project's completion, and the anticipated source of funding for any expected additional costs.

In addition, other enactments require that the Governor release his own plan for the execution of these projects on or before January 15, 2003. Although this plan is to be based as much as possible upon the plans submitted by state agencies and institutions, Chapters 887, 884, and 859 state that the Governor is to modify those plans in order to ensure the orderly issuance of bonds, remain within the legislature's appropriations for debt service, adhere to the Commonwealth's debt capacity limitations, comply with all other provisions of law regarding the issuance of debt, and ensure that all completed capital projects can actually be opened and operated by the state agencies and institutions responsible for them.

Given these requirements, and the annual \$250 million limit imposed upon the issuance of debt for projects contained in Chapter 887 and the general obligation bond packages by Chapter 888, the Governor clearly may need to modify state agencies and institutions' implementation plans before issuing his own plan on January 15, 2003. Each agency responsible for capital projects included in Chapter 887 and the general obligation bond packages must, therefore, prioritize its projects and justify those projects that must be expedited. This prioritization should also include capital projects contained in Chapter 814 (the Caboose Bill), because the General Assembly has clearly indicated that these projects are to be given highest financing priority by the VPBA and VCBA.

Summary of Requirements

Agencies and institutions' capital improvement plans must be submitted to the Department of Planning and Budget (DPB) no later than 5 p.m. on August 16, 2002. The form (Form CIP) necessary for completing the plans will be sent to those agencies and institutions responsible for the capital projects contained in Chapters 814, 887, 884, and 859 by their DPB budget analyst. This form, which is in the Microsoft Access format, will be pre-loaded with certain basic project information such as the title, the status of the project, and the appropriation for the project. Should your agency or institution have difficulty opening the form, or feel the need to change any of the pre-loaded data contained in the form, please contact your DPB budget analyst. No extensions to the submission date will be provided. DPB will compile the agency submissions and transmit this information to the Governor and the chairmen of the Senate Finance and House Appropriations Committees to meet the September 1, 2002 deadline.

Instructions for preparing the capital project implementation plan

General do's and don'ts for the capital implementation plan form

- **Most of the data entries should be self-explanatory and some information has been pre-loaded in the database.** If corrections are needed to the pre-loaded data, please contact your DPB analyst.
- **Do prioritize your projects and explain the rationale for the prioritization.**
- **Do not duplicate the priority numbers assigned to your agency or institution's projects.**
- **Do not use priorities like "2a" and "2b."**
- **Enter savings amounts and position reductions as negative values. Enter additional expected operating costs and positions as positive values.**

Instructions for selected parts of the form

Project Title: Enter project title as recorded in either Chapter 814, 887, 884, or 859. This title should be pre-loaded in your form.

Section A. Project Information

- **Project Category:** Enter the type of capital outlay project. This information should be pre-loaded in your form. If the information needs correction, please choose from one of the following options:
 - Acquisition,
 - New Construction,
 - Improvement,
 - Equipment,
 - Handicapped Access, or
 - Life Safety Code
- **Project Status:** Enter the status of the capital outlay project just prior to the introduction of the legislature's capital outlay package. Again, this information should be pre-loaded in the form. If the information needs correction, please choose from one of the following options:
 - Under Construction,
 - Planning Complete, No Construction,
 - Planning Underway,
 - Funded, Planning Not Begun, or
 - Not Currently Funded

- **Priority:** Enter your agency’s priority for this capital outlay project. When entering this data, “1” equals the agency’s highest priority project, “2” the next highest priority project, and so on. If the capital project is a high priority or time sensitive project, then provide the reasons for this designation in the justification block, because project timing could change as the Governor’s statewide capital project plan is finalized. (For example, agencies and institutions should indicate whether certain capital projects are “phased.” If projects are to be completed using a phased approach, then a particular project may need to be completed before work can begin on subsequent projects.) **A priority must be supplied by the agency or institution responsible for the project. It is not pre-loaded.**

Please note: As shown in Chapter 887, the General Assembly has clearly indicated a priority for state agencies and institutions to follow when completing capital projects in that act or Chapter 814 (“the Caboose Bill”). Highest priority is assigned to those capital projects included in Chapter 814. The next highest priority is assigned to the projects included in Chapter 887. For those agencies and institutions whose projects in Chapter 887 are financed by VPBA bonds, projects in subsection 1a should be given a higher priority than projects included in subsection 1b. State agencies and institutions should be mindful of the General Assembly’s priorities when developing their capital implementation plans.

- **Authorized Debt Type:** Enter “VPBA,” “VCBA,” or “GOB.” This information has been pre-loaded in the form.
- **Legislative Appropriation:** Enter the capital project’s debt appropriation. This information has also been pre-loaded into the form. **Please note:** The monthly draw schedules your agency or institution develops for this project must equal the legislative appropriation included for the project in either Chapter 814, 887, 884 or 859.

Section B. Project Schedule

Note: All information required for Section B of Form CIP must be supplied by the agency or institution responsible for the project.

- **Date Project will be Initiated:** Based upon the agency or institution’s priority ranking, provide the estimated date on which the project will start.
- **Date Project will be Completed:** Provide the estimated completion date for the project.
- **Time (in Months) to Select A&E Firm through Time (in Months) to Occupy Facility:** In these nine fields, please enter the estimated number of months your agency will require to complete these stages of the capital outlay process. Time should be entered in months – i.e., “3” would equal three months, “6.5” would equal six and one-half months. The information submitted should reflect only the amount of time necessary for the particular stage shown.

Section C. Monthly Draw Schedules

Note: All information required for Section C of Form CIP must be supplied by the agency or institution responsible for the project.

- **“July 2002” through “June 2008”:** For fiscal years 2003 through 2008, please enter the amount of bond proceeds (in dollars) that your agency expects to drawdown for each month shown. Show the first amount in the appropriate month based on the date the project will be initiated, as shown in Section B, and enter dollar amounts through project completion. Absent an entry by your agency, the default value for each month is \$0.

Section D. Operating and Maintenance Cost

Note: All information required for Section D of Form CIP must be supplied by the agency or institution responsible for the project. In addition, to account for “mixed” funded agencies and institutions, this section contains fields for as many as three different fund details.

- **Personal Services:** Enter the anticipated annual costs of any new staff that will be housed in the completed capital project (i.e., program, support, and maintenance staff). If no new staff will be hired for the completed facility, leave a zero in this field.
- **FTE:** Enter the total number of new staff that will be hired for the completed facility. Staff positions should be entered using two decimal places (i.e., 3.25, 10.00). If no new staff will be hired for the completed capital project, leave a zero in this field.
- **Nonpersonal Services:** Enter the total annual costs of any nonpersonal services that may be necessary to operate and maintain the completed capital project. If no nonpersonal services are necessary for the facility’s operations or maintenance, leave a zero in this field.
- **Equipment:** Enter the total costs of any additional equipment – beyond that funded in the capital project – that may be necessary for the completed capital project. If no additional equipment will be purchased for the facility, leave a zero in this field.
- **Fund Source:** Enter the source of funds that will be used for any additional costs associated with the completed capital project. This entry should be a four-digit number (i.e., “0100” for general fund dollars, “0200” for special fund dollars, or “1000” for federal dollars.)
- **One Time Costs:** Enter the total amount of any expected new costs incurred for the completed capital projects (and shown above) that qualify as one-time expenditures.
- **Cost Savings:** Enter the estimated cost savings associated with the completed capital project. These savings could include personnel, nonpersonal services, or equipment savings. Any dollars entered in this field should be in the form of a negative number.

- **FTE Savings:** If the completed capital project will result in personal services savings, enter the number of positions that will be saved. If no positions will be saved, leave a zero in this field. Any entry in this field should be in the form of a negative, two-decimal place number.
- **Planned Date for the Initiation of O & M (Operating and Maintenance) Costs:** Enter the date on which the additional costs or cost savings for the completed capital project are expected to start.

Section E. Justification

- **Justification:** This block should be used to justify the priority assigned to a capital project or to explain why a capital project must be initiated at a specific time. As previously mentioned, the Governor's proposed capital outlay plan, which will be issued in January 2003, will consist of a consolidated list of the various agency capital implementation plans and priority information. Because of debt limitations, the draw schedules for some projects may need to be adjusted. Therefore, it is extremely important to use this section of the form to itemize and explain those projects with critical time schedules. The information in this field may be the only chance agencies or institutions have to make the case for their capital projects' desired timing.
- **Identification Information:** Please include the name, title, e-mail address, and phone number of the person who completed this form. In addition, please enter the date on which the form was completed.

Follow-Up Reporting Requirements

For those capital projects that are initiated following the submission of agencies and institutions' capital implementation plans on August 16, 2002, it will be assumed that the reported information for those capital outlay projects is accurate at the time the Capital Outlay Form CO-2 is submitted to the Department of General Services' Bureau of Capital Outlay Management (BCOM). However, should the figures reported in the submission for the project schedule or monthly draw schedule change, agencies and institutions must update the affected parts of the Form CIP. In addition, all agencies and institutions will be required to resubmit the project schedule, monthly draw schedule, and operation and maintenance cost portions of this form following the completion of construction contracts (i.e., the Capital Outlay Form CO-8). This updated information is required to assist in the management of the Commonwealth's debt capacity.

Electronic Submission

Once you have completed the capital implementation plan form, please save it with the following naming convention: Agency Code, followed by CIP.xls. For example, the file for agency 999 should be named "999CIP.xls."

E-mail your submission to plans@gov.state.va.us. The electronic submission is due by 5 p.m. on August 16, 2002. No extensions will be provided.